



General Assembly

Substitute Bill No. 98

February Session, 2022



AN ACT EXTENDING THE MANUFACTURING APPRENTICESHIP TAX CREDIT TO PASS-THROUGH ENTITIES.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Section 12-217g of the 2022 supplement to the general
2 statutes is repealed and the following is substituted in lieu thereof
3 (*Effective July 1, 2022, and applicable to income or taxable years commencing*
4 *on or after January 1, 2022*):

5 (a) (1) There shall be allowed a credit for any taxpayer against the tax
6 imposed under this chapter, chapter 228z or chapter 229, other than the
7 liability imposed by section 12-707, for any income or taxable year with
8 respect to each apprenticeship in the manufacturing trades commenced
9 by such taxpayer in such year under a qualified apprenticeship training
10 program as described in subsection (d) of this section, certified in
11 accordance with regulations adopted in accordance with the provisions
12 of chapter 54 by the Labor Commissioner and registered with the Labor
13 Department under section 31-22r, in an amount equal to six dollars per
14 hour multiplied by the total number of hours worked during the income
15 or taxable year by apprentices in the first half of a two-year term of
16 apprenticeship and the first three-quarters of a four-year term of
17 apprenticeship, provided the amount of credit allowed for any income
18 or taxable year with respect to each such apprenticeship may not exceed
19 seven thousand five hundred dollars or fifty per cent of actual wages
20 paid in such [income] year to an apprentice in the first half of a two-year

21 term of apprenticeship or in the first three-quarters of a four-year term
22 of apprenticeship, whichever is less. [(2) Effective for] For income or
23 taxable years commencing on [and] or after January 1, 2015, for
24 purposes of this subsection, "taxpayer" includes an affected business
25 entity, as defined in section 12-284b. [Any]

26 (2) (A) For taxable years commencing on or after January 1, 2015, but
27 prior to January 1 2022, any affected business entity allowed a credit
28 under this subsection may sell, assign or otherwise transfer such credit,
29 in whole or in part, to one or more taxpayers to offset any state tax due
30 or otherwise payable by such taxpayers under this chapter, or, with
31 respect to [income] taxable years commencing on or after January 1,
32 2016, but prior to January 1, 2022, chapter 212 or 227, provided such
33 credit may be sold, assigned or otherwise transferred, in whole or in
34 part, not more than three times.

35 (B) For taxable years commencing on or after January 1, 2022, (i) if a
36 taxpayer is an S corporation or an entity that is treated as a partnership
37 for federal income tax purposes, the shareholders or partners of such
38 taxpayer may claim the credit under this subsection, and (ii) if a
39 taxpayer is a single member limited liability company that is
40 disregarded as an entity separate from its owner, the limited liability
41 company's owner may claim the credit under this subsection.

42 (b) There shall be allowed a credit for any taxpayer against the tax
43 imposed under this chapter for any income year with respect to each
44 apprenticeship in plastics and plastics-related trades commenced by
45 such taxpayer in such year under a qualified apprenticeship training
46 program as described in subsection (d) of this section, certified in
47 accordance with regulations adopted in accordance with the provisions
48 of chapter 54 by the Labor Commissioner and registered with the Labor
49 Department under section 31-22r, which apprenticeship exceeds the
50 average number of such apprenticeships begun by such taxpayer during
51 the five income years immediately preceding the income year with
52 respect to which such credit is allowed, in an amount equal to four
53 dollars per hour multiplied by the total number of hours worked during

54 the income year by apprentices in the first half of a two-year term of
55 apprenticeship and the first three-quarters of a four-year term of
56 apprenticeship, provided the amount of credit allowed for any income
57 year with respect to each such apprenticeship may not exceed four
58 thousand eight hundred dollars or fifty per cent of actual wages paid in
59 such income year to an apprentice in the first half of a two-year term of
60 apprenticeship or in the first three-quarters of a four-year term of
61 apprenticeship, whichever is less.

62 (c) There shall be allowed a credit for any taxpayer against the tax
63 imposed under this chapter for any income year with respect to wages
64 paid to apprentices in the construction trades by such taxpayer in such
65 year that the apprentice and taxpayer participate in a qualified
66 apprenticeship training program, as described in subsection (d) of this
67 section, which (1) is at least four years in duration, (2) is certified in
68 accordance with regulations adopted in accordance with the provisions
69 of chapter 54 by the Labor Commissioner, and (3) is registered with the
70 Labor Department under section 31-22r. The tax credit shall be (A) in an
71 amount equal to two dollars per hour multiplied by the total number of
72 hours completed by each apprentice toward completion of such
73 program, and (B) awarded upon completion and notification of
74 completion of such program in the income year in which such
75 completion and notification occur, provided the amount of credit
76 allowed for such income year with respect to each such apprentice may
77 not exceed four thousand dollars or fifty per cent of actual wages paid
78 over the first four income years for such apprenticeship, whichever is
79 less.

80 (d) For purposes of this section, a qualified apprenticeship training
81 program shall require at least four thousand but not more than eight
82 thousand hours of apprenticeship training for certification of such
83 apprenticeship by the Labor Department. The amount of credit allowed
84 any taxpayer under this section for any income or taxable year may not
85 exceed the amount of tax due from such taxpayer under this chapter,
86 chapter 228z or chapter 229, with respect to such income or taxable year.

